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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554
17 AUG 1994

IN REPLY REFER TO:

EX PARTE OR LATE FILED

9403693
9403762

Honorable Barbara Mikulski
United States Senate
709 Hart Senate Office Building
Washington, DC 20510-2003

RECEIVED

AUG 31 1994

Dear Senator Mikulski:

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

I have been asked to respond to your letter to the Office of Legislative Affairs regarding the pioneer's preference award to American Personal Communications (APC) in the broadband Personal Communications Services (PCS) proceeding, GEN Docket No. 90-314.

In the Third Report and Order in this proceeding, adopted December 23, 1993, the Commission awarded pioneer's preferences to APC, Cox Enterprises, Inc. (Cox), and Omnipoint Communications, Inc. (Omnipoint). As a result of these awards, the pioneers will, if otherwise qualified, receive licenses in a Major Trading Area (MTA) of their choosing for broadband PCS Channel Block A, 30 megahertz of spectrum in the 1850-1865 and 1930-1945 MHz bands. APC's award will be for the Washington-Baltimore MTA.

In the Memorandum Opinion and Order on Remand in GEN Docket No. 90-314 and ET Docket No. 93-266 (Review of the Pioneer's Preference Rules), adopted August 9, 1994, the Commission imposed a payment requirement for the pioneer's preference licenses that APC, Cox, and Omnipoint will receive. Each pioneer will have its choice of paying either 90 percent of the winning competitive bid for broadband PCS Channel Block B (30 megahertz of spectrum in the 1870-1885 and 1950-1965 MHz bands) in its MTA or 90 percent of the adjusted value of the license, calculated based upon the average per population price established by competitive bidding for Channel Blocks A and B in the top 10 MTAs.

Thus, the pioneer's preference awards to APC, Cox, and Omnipoint have not been rescinded; however, a 90 percent payment is now required. Additionally, petitions for reconsideration have been filed to the Third Report and Order challenging these awards, and the Memorandum Opinion and Order on Remand is also subject to petitions for reconsideration. I anticipate that the Commission

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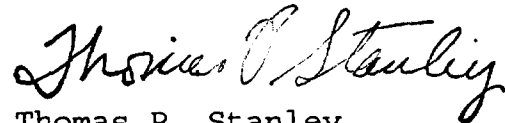
Honorable Barbara Mikulski

2.

will address all petitions for reconsideration filed to these two decisions in the near future.

I trust that this reply is responsive to your concerns.

Sincerely,

A handwritten signature in cursive script, reading "Thomas P. Stanley". The signature is written in dark ink and is positioned above the printed name and title.

Thomas P. Stanley
Chief Engineer

BARBARA A. MIKULSKI
MARYLAND

COMMITTEES:

APPROPRIATIONS

SELECT COMMITTEE ON ETHICS

LABOR AND HUMAN RESOURCES

United States Senate
WASHINGTON, DC 20510-2003

SUITE 709

HART SENATE OFFICE BUILDING

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(202) 224-4654

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OET
90-314
3693

FAX TRANSMITTAL FORM

DATE: 8/2/94

THE FOLLOWING 3 PAGE(S) (INCLUDING THIS FORM)

IS/ARE FOR: Judy Harris

Director, Office of Legislative Affairs
FCC

FROM: Mary Hinrichs-Richards

OFFICE OF SENATOR BARBARA A. MIKULSKI
U.S. SENATE
709 HART SENATE OFFICE BUILDING
WASHINGTON, D.C. 20510

IF THIS TRANSMITTAL IS INCOMPLETE, PLEASE CALL (202) 224-4654.

THANK YOU!

BARBARA A. MIKULSKI
MARYLAND

COMMITTEES:

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United States Senate

WASHINGTON, DC 20510-2003

August 1, 1994

Judy Harris
Director, Office of Legislative Affairs
Federal Communication Commission
Room 808
1919 M Street, N.W.
Washington, D.C. 20554

Dear Ms. Harris:

I am writing on behalf of American Personal Communications (APC), a Maryland company.

APC tells me that there is an effort to rescind the Pioneer Preference that was awarded to APC. I am concerned about the loss of jobs in my home state of Maryland, as outlined in APC's enclosed letter. I am especially concerned that APC played by the rules and was awarded the Preference, and now after the fact the rules may be changed. I believe this is fundamentally unfair.

Please send your response to me as soon as possible. If you have any questions please contact Mary Hinrichs Richards in my office.

Sincerely,



Barbara A. Mikulski
United States Senator

BAM:mhr



American Personal
Communication

BY HAND

May 24, 1994

The Honorable Barbara A. Mikulski
U.S. Senate
SH-709 Hart Senate Office Building
Washington, D.C. 20510-2013

Dear Senator Mikulski:

Since we last met in July of 1992 and successfully crafted a compromise that allowed PCS to utilize PCS spectrum which is occupied with incumbent microwave users, APC was granted a final Pioneer's preference on December 23, 1993, to provide PCS services in the Washington/Baltimore area, an area that includes virtually the entire State of Maryland.

APC is ready to roll out PCS in the Washington/Baltimore area, create many new jobs and infuse into the economy of Maryland alone over \$100 million in spending. As of just a few short weeks ago, APC was aggressively hiring, actively seeking office space, and ready to sign an initial \$50 million equipment order. Today, all this is on hold as a campaign to rescind the preferences is being promoted by a few large telephone companies before Congress.

I want to thank you for your efforts in resisting retroactive rescission of our pioneer preference award. Let me assure you that your faith in us would not be misplaced, for we are committed to aggressively rolling out these services, creating new jobs, and bringing new opportunities to Maryland.

Sincerely,



Wayne N. Schelle

WNS:kfc
Enclosure

BARBARA A. MIKULSKI

MARYLAND

COMMITTEES:

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SELECT COMMITTEE ON ETHICS

LABOR AND HUMAN RESOURCES

United States Senate

WASHINGTON, DC 20510-2003

August 1, 1994

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ET-PIONEER
3762

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Director, Office of Legislative Affairs

Federal Communication Commission

Room 808

1919 M Street, N.W.

Washington, D.C. 20554

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Sincerely,



Barbara A. Mikulski

United States Senator

BAM:hr



**American Personal
Communications**

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Sincerely,



Wayne N. Schelle

WNS:kfc
Enclosure

**American Personal Communications
PCS System Rollout Budgeted Expenditures
1994 to 1995**

- \$90 million initial PCS equipment purchase
- \$2 million additional capital expenditures for furniture, vehicles, personal computers, and other
- Total of 60,000 square feet of office space in Maryland,
- 175 quality jobs in sales, customer service, and engineering
- 200 additional created jobs in retail, dealers, and agents
- \$10 million initial information technology purchase
- \$15 million advertising placement in local TV, radio, and newspapers
- \$28 million additional operating expense for local construction, site leases, and contractors